

PUBLIC DEBT

For a number of years after the C.C.F. took office the net public debt of the province was decreasing. Very little, if any, credit for this was due to the C.C.F. government. The Dominion government in 1947 cancelled-treasury bills amounting to \$44,368,000 and reduced the net public debt of Saskatchewan by that amount. Organizations on whose behalf parts of the provincial debt were contracted were paying off their obligations. Farmers were repaying their seed grain and relief debts which had been guaranteed by the province.

Repeatedly the C.C.F. government attempted to take credit for debt reductions made by the Dominion government, by farmers and farm organizations. Provincial Treasurer Fines proudly referred to these reductions in his budget speeches, and gave all the credit to the government and repeatedly said: "this reduction is unparalleled in the history of any Canadian province since Confederation." Premier Douglas went about this and other provinces stating, "the C.C.F. government had reduced the public debt by \$72,000,000."

The debt reduction figures used by Mr. Fines in the budget speeches covered periods dating back to April 30, 1944. The C.C.F. government did not take office until July 11, 1944, and between those two dates the Patterson government paid off \$5,213,000 for which Mr. Fines hoped to take credit.

According to Sessional Paper No. 73, Session 1952, agencies other than the C.C.F. government made reductions of the public debt between April 30, 1944, and December 31, 1951, as follows:

Paid off by Patterson Government	\$ 5,213,000
Loans cancelled by Dominion Government ...	44,368,000
Saskatchewan Wheat Pool	4,627,000
Government Telephones	2,454,000
Saskatchewan Co-operative Creamery	390,000
Farm loans repaid by farmers	10,312,000
1938 seed grain debts repaid by farmers	5,561,000
Relief account receipts other than 1938 seed grain	2,591,000
Contingent liabilities repaid by municipalities .	1,259,000
Total	\$76,775,000

Sessional Paper No. 73, Session 1952, gives the reduction in net public debt between April 30, 1944, and December 31, 1951, as \$53,828,000. Other agencies during that period paid off \$76,775,000

of the debt. It therefore follows that the C.C.F. government increased that part of the debt for which the government was directly responsible by \$22,947,000.

In every budget speech he has made except the last Mr. Fines has included tables showing the reduction in the net public debt since April 30, 1944. This table was significantly omitted from the 1952 budget speech. The reason for this is that the C.C.F. government is now increasing the public debt faster than other agencies are reducing it. Had Mr. Fines included his usual table in his budget speech it would have shown an increase of \$12,481,000 in the net debt during the past year.

Had the C.C.F. government followed sound fiscal policies some of the greatly increased revenues of recent years would have been used to reduce the public debt. Following 1834 the Liberal government in Saskatchewan faced the most difficult period in the history of the province. But just as soon as conditions improved in the early forties the policy was adopted of using liquor profits to pay off the public debt. Mr. Fines has been taking large amounts of liquor profits into revenue account and using them for ordinary expenditures. During the fiscal years 1945-46 to 1950-51 inclusive \$24,250,000 of liquor profits have been taken into revenue account. The revenue estimates for 1951-52 included \$7,000,000 of liquor profits and the revenue estimates for 1952-53 another \$6,500,000. If these estimates are correct, then by March 31, 1953, the C.C.F. government will have taken \$37,750,000 of liquor profits into revenue account. The burden of public debt in Saskatchewan is heavier than that of most of the other provinces. Figures on per capita net debt on March 31, 1951, for a number of the provinces were:

Quebec	\$ 87
Alberta	119
Manitoba	159
Ontario	167
British Columbia	174
Saskatchewan	195

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